



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

James W. Carter  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340  
801-359-3940 (Fax)  
801-538-5319 (TDD)

January 19, 1995

TO: James W. Carter, Director

THRU: D. Wayne Hedberg, Minerals Program Supervisor *DWH*

FROM: Anthony A. Gallegos, Senior Reclamation Specialist *aaG*

RE: Replacement Reclamation Surety, Harold Marston, Pagano Clay Project, M/015/062, Emery County, Utah

This project was the focus of a Board Hearing in February 1993. The Board directed the operator, Harold Marston, to reclaim the site and post a reclamation surety. Reclamation of the project site was completed in May 1993. On October 31, 1994, the Division received notice from the Reliance Insurance Company stating the \$3,700 bond for the Pagano Clay Project would be cancelled as of February 4, 1995. A site inspection performed in October 1994 revealed revegetation success at the site was poor. In December 1994, the Division sent a letter to the operator stating the existing bond would need to be renewed or replaced prior to the February expiration date.

On January 17, 1995, the Division received a replacement surety for the Pagano Clay Project. The replacement surety is in the same form as the existing surety (surety bond), and for the same amount (\$3,700); however, the surety company and surety bond number have changed. The replacement surety is with the Federal Insurance Company of Warren, New Jersey. This company is included in the 1993 Federal Register listing of acceptable surety companies.

A replacement Reclamation Contract and Surety Bond form have been completed by the operator and surety company. Because the form and amount of reclamation surety have not changed, I recommend the replacement Reclamation Contract and Surety Bond be accepted, and signed by the Division and Board without a formal Board presentation.

M15-62SB.LET





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June 7, 1993

TO: Board of Oil, Gas and Mining

THRU: James W. Carter, Director *JWC*

THRU: Wayne Hedberg, Permit Supervisor *WH*

FROM: Holland Shepherd, Senior Reclamation Specialist *HS*

RE: Notification of Compliance with Board Order and Request of Concurrence of Form and Amount of Surety, Pagano Clay Project, Jay Pagano Estate, S/015/062, Emery County, Utah

The Division would like to inform the Board that the requirements as outlined in the March 8, 1993 Board Order to Mr. Harold Marston (Jay Pagano Estate) have been satisfied. The Board Order required the operator to: 1. cease all mining operations; 2. immediately file a reclamation plan and full surety; and 3. reclaim the site by June 1, 1993. All these requirements have now been satisfied by the operator, Jay Pagano Estate.

Responsibility for continued mining at the site has now been assumed by ECDC-Environmental. However, Jay Pagano Estate will remain responsible for achieving the revegetation success standards on those portions of the site which will not be redisturbed by ECDC-Environmental. The Division will retain the operator's \$3,700 surety bond, until successful revegetation of those reclaimed areas can be verified. The Division of State Lands and Forestry has also requested that this Division hold the operator's surety at least until specified reclamation on state lands, associated with the mine can be verified.

ECDC-Environmental is also requesting approval of their form and amount of surety during this June Board Hearing. The two permit applications/mine plans are located in the same areas and will overlap to a certain extent. However, the ECDC operation probably will not redisturb areas already reclaimed under the Pagano Clay permit.



Page 2  
Board Memo  
Jay Pagano Estate  
June 7, 1993

Please find the following attachments for your reference:

1. Summary Checklist
2. Executive Summary
3. Location Maps
4. Reclamation Contract
5. Surety Bond

Thank you for your time and consideration of this request.

jb  
Attachments

## DOGM MINERALS PROGRAM

### Checklist for Board Approval of FORM AND AMOUNT OF SURETY

Prepared June 8, 1993

Company Name Jay Pagano Estate  
Mine Name Pagano Clay Project  
File No. S/015/062

Items	Provided		Remarks
	Yes	No	
Executive Summary	X		
Location Map	x		
Reclamation Bond Estimate	X		
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond/Reclamation Surety	X		
Surety Sign Off (Other State/Federal Agencies)	X		See letter from State Lands

## EXECUTIVE SUMMARY

Prepared June 7, 1993

Mine Name: Pagano Clay Project I.D. No: S/015/062  
Operator: Jay Pagano Estate County: Emery  
P. O. Box 136 New/Existing: Existing  
Wellington, Utah 84501 Mineral Ownership: Private  
Surface Ownership: Private  
Telephone: 801/650-2806 Lease No.(s): none  
Contact Person: Harold Marston Permit Term: Until Reclaimed  
Life of Mine: n/a

Legal Description: NE 1/4, NW 1/4 and NW 1/4, NE 1/4, Section 1, Township 16 South,  
Range 11 East and SE 1/4, Section 36, Township 15 South, Range 11 East

Mineral(s) to be Mined: Bentonite Clay

Mining Methods: open pit/quarry mining

Acres to be Disturbed: 5 (approved originally), unauthorized expansion to 17

Present Land Use: mining

Postmining Land Use: domestic livestock and wildlife habitat

Variances from Reclamation Standards (Rule R647) Granted: R647-4-111.12 Topsoil  
Redistribution

### Soils and Geology:

Soil Description: Shallow layers of Chipeta and Persayo soils (poorly developed soils) over  
mainly Mancos shale and eroding shale outcrop.

pH: unknown

Special Handling Problems: Because of previous mining disturbance little topsoil material will  
be available for reclamation.

Geology Description: The mine is located at the transition zone between Dakota Sandstone  
and the Blue Gate Member of the Mancos Shale

**Hydrology:**

**Ground Water Description:** The ground water table is predicted to be at or near the elevation of the Price River. The excavated pits will not be dug to deep enough to intercept the groundwater.

**Surface Water Description:** No intermittent or perennial streams are located on the site. An ephemeral drainage does cross the site. The Price River flows within 5 feet of the mine site area.

**Water Monitoring Plan:** none

**Ecology:**

**Vegetation Type(s); Dominant Species:** shadescale, rabbitbrush, saltbrush, indian ricegrass

**Percent Surrounding Vegetative Cover:** 20%

**Wildlife Concerns:** none

**Surface Facilities:** none

**Mining and Reclamation Plan Summary: . . . .**

This plan only involves reclamation and does not involve an operational phase of mining.

**Reclamation Plan:**

Jay Pagano Estate will backfill and regrade quarried areas to slopes no steeper than 3h:1v. Roads and pads will be ripped and regraded where appropriate. All reclaimed areas will be mulched, fertilized and reseeded with an approved seed mixture. All structures and equipment will be removed from the site. Portions of the access road leading into the site will be left for post-mine landuse.

**Surety:**

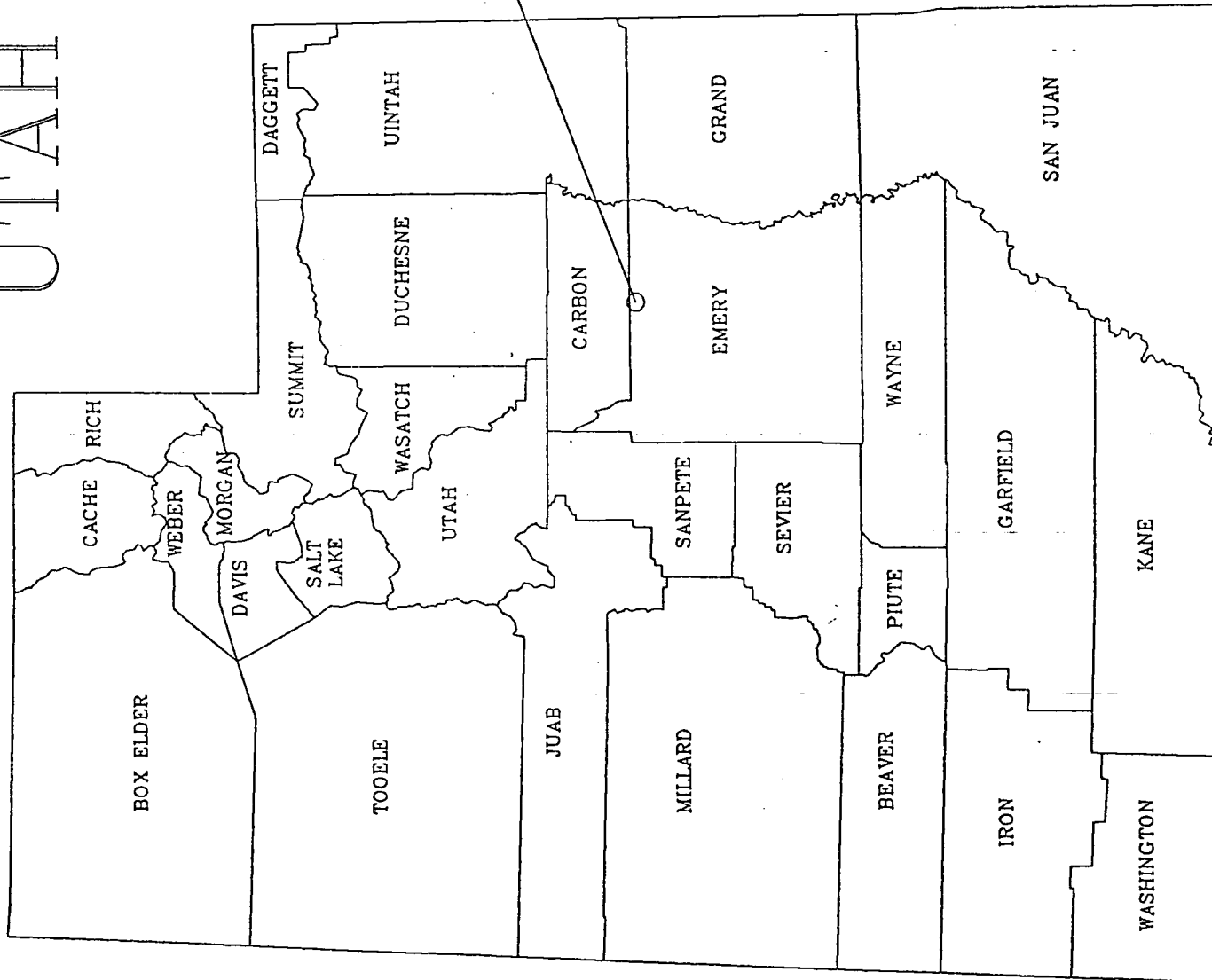
**Amount:** \$3,700

**Form:** Surety Bond

**Renewable Term:** 3 years

4:Pagano

# UTAH



## PROJECT AREA S/015/062 PAGANO CLAY PROJECT

CREATED BY DOCM 2/23/93

RECLAMATION ESTIMATE FOR THE PAGANO CLAY PROJECT  
M/015/062

Prepared by  
Utah State Division of Oil, Gas and Mining  
November 11, 1992

Total Acreage Disturbed = 17

Description	Unit	Acres	\$/Unit	Cost(\$)
Revegetation Costs				
seed mix	acre	17	55	935
tractor, drill seeder, operator	acre	17	120	2,040
mobilization	sum	**	*	250
				SUBTOTAL
				3,225
				+10% CONTINGENCY
				323
				SUBTOTAL
				3,548
				ESCALATION
				(1.27% FOR 3 YRS)
				137
				TOTAL (1996 Dollars)
				3,680
				Rounded Total
				\$3,700
				Average cost per acre
				\$218





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December 6, 1994

CERTIFIED RETURN RECEIPT  
P 074 978 923

Mr. Harold Marston  
Pagano Clay Operations  
P. O. Box 136  
Wellington, Utah 84501

Re: Reclamation Surety, Pagano Clay Mine Operations, S/015/062, Emery County, Utah

Dear Mr. Marston:

On October 31, 1994, the Division received a cancellation notice from the Reliance Insurance Company for bond number B 236 34 92. The notice stated the captioned bond is cancelled as of February 4, 1995, or if such effective date does not provide for a sufficient number of days notice, as required, then upon the earliest date permitted.

According to the order issued by the Board of Oil, Gas and Mining on March 8, 1993, a reclamation surety in the amount of \$3,700 was required for this operation. This amount was to cover the cost of fertilizing, seeding, and mulching the disturbed areas, which at the time of the Board Hearing, had not yet been completed. The Board order also required reclamation of the site to be completed by June 1, 1993. A Division inspection on May 12, 1993, verified that reclamation had been performed. A recent inspection performed October 7, 1994, revealed poor revegetation success on the reclaimed areas.

At this time, the reclaimed areas for the Pagano Clay project have survived one and one-half growing seasons. The Division and rules R647-3-109.13 and R647-4-111.13, usually require the passage of at least three growing seasons before granting release of a reclaimed site. The Division has not received a formal request for reclamation release for the Pagano Clay project. In addition, the Division has been requested to contact SITLA (formerly known as State Lands) prior to the release of any surety for this project.

Therefore, the Division requires that a \$3,700 reclamation surety remain in place for the Pagano Clay project until a formal release is granted. A lapse in having adequate surety posted for this operation would be considered a violation of the Board Order and the Utah

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Harold Marston

S/015/062

December 6, 1994

Mined Land Reclamation Act. In order to remedy this situation, the existing bond may be extended prior to the expiration date, or a replacement surety for the same amount may be posted prior to the expiration date of the existing bond.

At your earliest convenience, please inform me or Wayne Hedberg of your actions in this regard. Please contact either of us if you have any questions regarding the requirements of this letter. Thank you for your cooperation and attention to this matter.

Sincerely,

A handwritten signature in cursive script, reading "Anthony A. Gallegos".

Anthony A. Gallegos  
Reclamation Engineer

jb

cc: Carol M. Crosswhite, Reliance Insurance Company  
Wayne Hedberg, DOGM (route)  
Lowell Braxton, DOGM  
Tom Mitchell, AG's Office

S15-62PG.ANO



EAST CARBON CONSTRUCTION, INC.  
Highway 123 • P.O. Box 880  
East Carbon, Utah 84520-0880  
(801) 888-2220

LETTER TRANSMITTAL

DATE	1-13-94	JOB NO.
ATTENTION	TONY GALLEGOS	
RE:	PAGANO PIT	
	RECLAMATION BOND	

TO: STATE OF UTAH  
DIVISION OF OIL, GAS & MINING  
TONY GALLEGOS

WE ARE SENDING YOU ☐ Attached ☐ Under separate cover via \_\_\_\_\_, the following items:

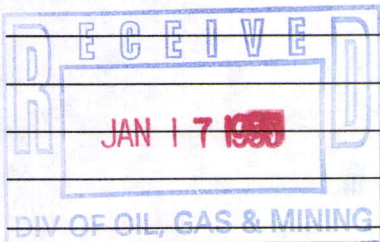
- ☐ Shop drawings ☐ Prints ☐ Plans ☐ Samples ☐ Specifications  
☐ Copy of letter ☐ Change Order ☐ \_\_\_\_\_

COPIES	DATE	NO.	DESCRIPTION

THESE ARE TRANSMITTED as checked below:

- ☐ For approval ☐ Approved as submitted ☐ Resubmit \_\_\_\_\_ copies for approval  
☐ For your use ☐ Approved as noted ☐ Submit \_\_\_\_\_ copies for distribution  
☐ As requested ☐ Returned for corrections ☐ Return \_\_\_\_\_ corrected prints  
☐ For review and comment ☐ \_\_\_\_\_  
☐ FOR BIDS DUE \_\_\_\_\_ 19 \_\_\_\_\_ ☐ PRINTS RETURNED AFTER LOAN TO US

REMARKS ENCLOSED IS A COPY OF THE  
RECLAMATION BOND FOR THE PAGANO  
ESTATE. PLEASE REVIEW & LET  
ME KNOW IF EVERYTHING IS OKAY.  
THANKS FOR THE HELP.



COPY TO \_\_\_\_\_

SIGNED: \_\_\_\_\_

If enclosures are not as noted, kindly notify us at once